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April 3, 2006

RECEIVED

- 62

Donald Sapir, Esq.
Sapir & Frumkin, LLP
399 Knollwood Road, Suite 310
White Plains, New York 10603

Re: Watson Services, Inc. & Pension Fund Local 445
(Fund's Assessment of "Late Charges")

Dear Mr. Sapir:

We are counsel to Watson Services, Inc. ("WSI"), in connection with various labor and employment-related matters. It is my understanding, following your conversation with my client last week, that you are counsel to the Local 445 Pension Fund. We are in receipt of a letter, dated March 3, 2006, from Carmen M. Hernandez of the Pension Fund, wherein the Fund claims that WSI owes "late charges" on various contributions made to the Pension Fund and the Education and Training Fund.

The Employer does not believe that it owes the fees claimed by the Fund in its March 3, 2006 letter. We are, however, willing to consider the Pension Fund's position. At your earliest convenience, kindly forward to the undersigned any explanation of the Fund's position you deem appropriate; and, copies of any agreements or other documentation that support the Fund's claim that the relevant contributions are due on the 10th of the month, and that the Fund is privileged to assess "late charges" in the manner set forth in the March 3, 2006 letter.

If you have any questions, or wish to discuss this matter, please do not hesitate to call me at the number above.

Very truly yours,

KREITZMAN, MORTENSEN & BORDEN



Seth H. Borden

cc: Mr. Fred Watson